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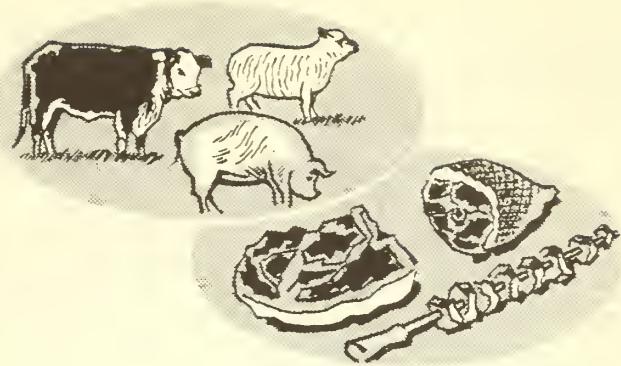
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1968 OUTLOOK ISSUE

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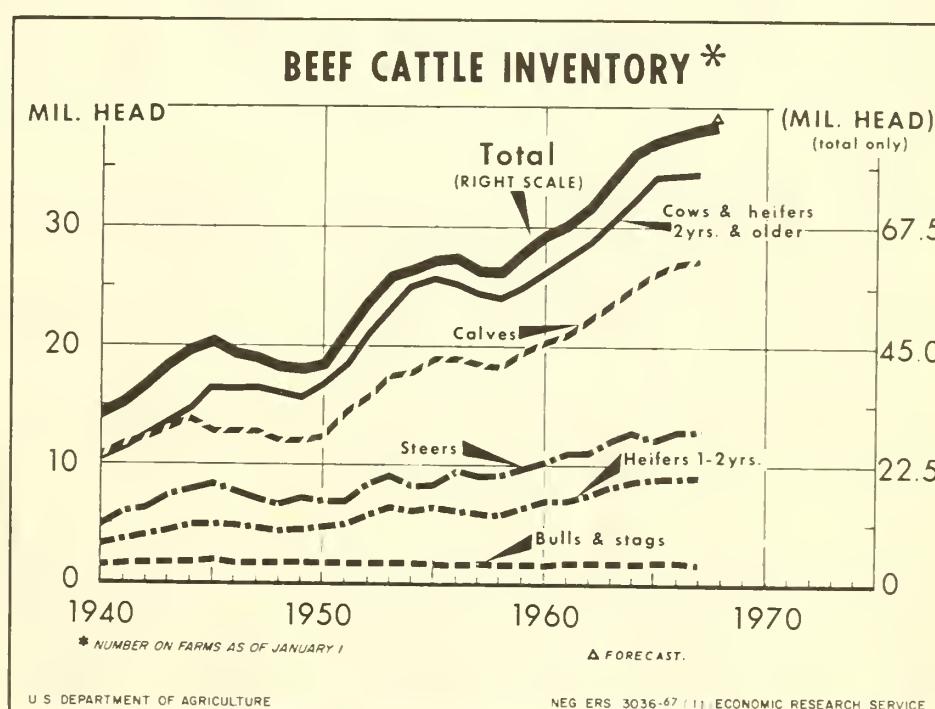
LIVESTOCK and MEAT SITUATION



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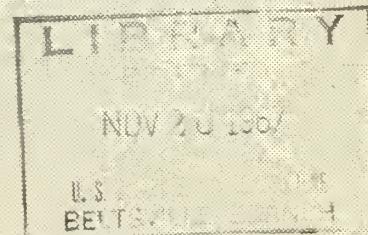
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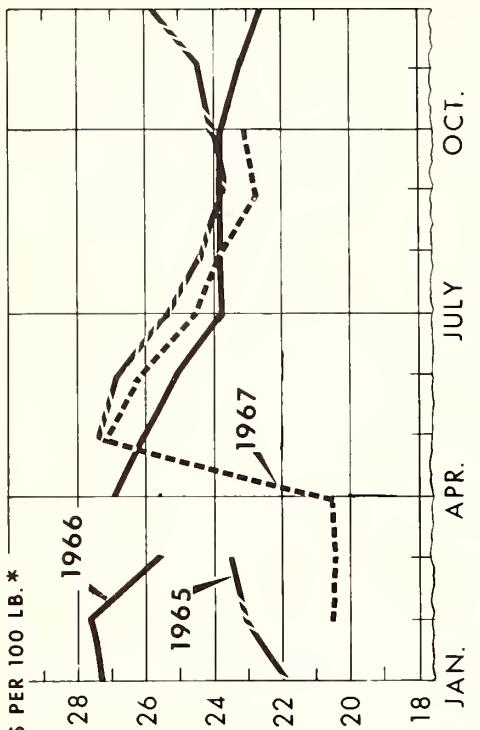
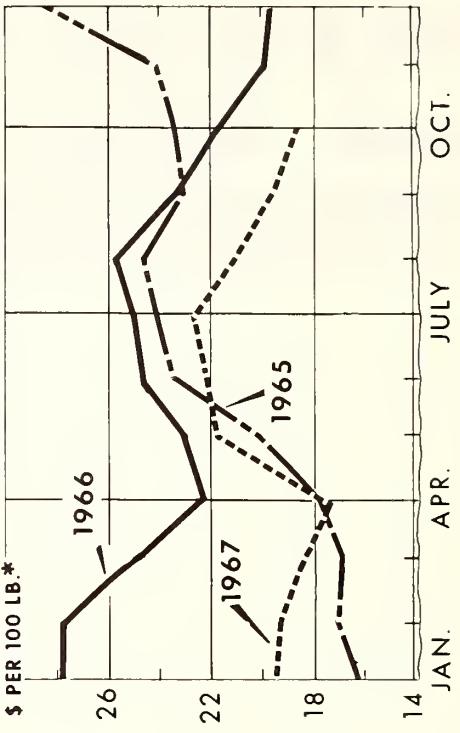
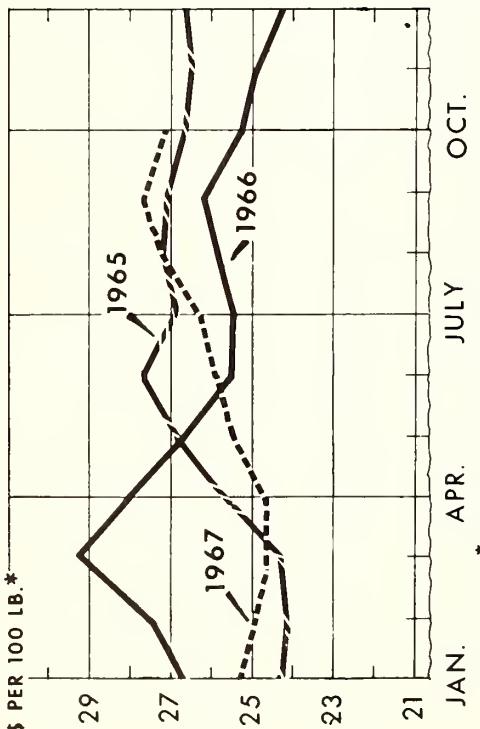
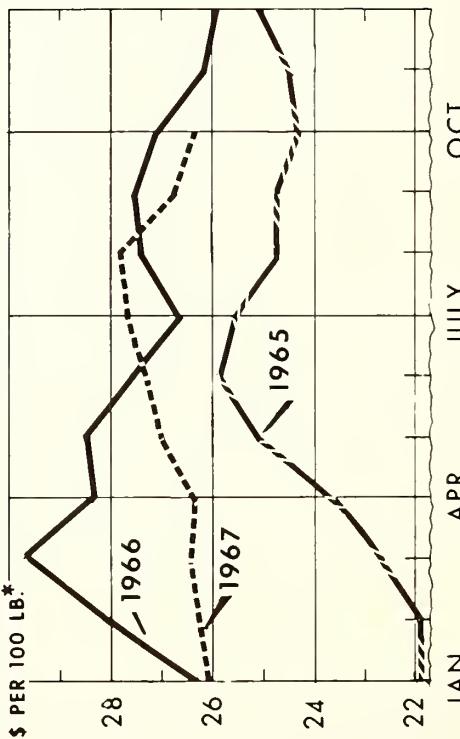
There were 86 million beef cattle and calves on farms and ranches on January 1, 1967--about 3/4 million more than a year earlier, and a record high. The beef herd has increased each year since 1958. It now accounts for approximately 79 percent of total cattle and calves on farms, compared with 64 percent a decade ago and 47 percent in 1940. A further small increase in the beef herd appears to be developing this year. Thus, continued large beef output is in prospect for 1968.



IN THIS ISSUE

OUTLOOK FOR 1968



SLAUGHTER LAMB PRICES**HOG PRICES****SLAUGHTER STEER PRICES****FEEDER STEER PRICES**

LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, November 6, 1967

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SUMMARY

Livestock producers are expected to produce about the same amount of red meat next year as they did in 1967. Fed beef production likely will be larger and may about offset a further decline in cow slaughter. The relationship between hog prices and corn prices probably will encourage continued large output of pork next year. Reduced lamb and veal production is in prospect for 1968 due to smaller lamb and dairy calf crops.

Fed cattle marketings during the rest of this fall and next winter likely will continue above a year earlier. There were 8.6 million cattle and calves on feed on October 1 in 32 major feeding states, 2 percent more than a year earlier. Cattle feeders have stated intentions to market 2 percent more cattle out of feedlots in October-December than in these months of 1966. There were more cattle on feed October 1 in weight groups that will supply a sizeable share of marketings in the first half of next year.

Fed cattle prices the rest of this fall and winter probably will average around late-October levels--\$27 per 100 pounds for Choice steers at Chicago--about \$2 above prices last fall and winter.

Fed cattle marketings are expected

to remain large in 1968. The number of cattle on feed at the beginning of next year probably will be as large or larger than it was a year earlier, and a continued large supply of feeder cattle will be available for feedlots. The shift toward marketing a larger percentage of all cattle through feedlots is expected to continue next year. This will contribute to further increases in fed cattle marketings.

Cow slaughter in federally inspected plants in the first 9 months of this year was 11 percent less than a year earlier. It is expected to continue under a year earlier this fall, but the difference is expected to be smaller. In 1968, cow slaughter probably will run moderately smaller than in 1967, since beef herds likely will be expanded and culling of dairy herds may be a little lighter.

Hog slaughter so far this fall has been moderately larger than a year earlier. The increase over last year's rates probably will diminish later in the fall, and in the first half of 1968 hog slaughter likely will run around year-earlier levels. However, slaughter supplies may increase somewhat in the second half of 1968. Feed supplies are large and feed prices will be lower than

a year earlier at least through mid-year. Thus, producers may have more sows farrow during the winter and spring than in these months a year earlier.

So far this fall, hog prices have declined as slaughter increased seasonally. Commercial hog slaughter in the first 9 months was 14 percent larger than a year earlier. Slaughter under Federal inspection in recent weeks has been up about 7 percent.

In late-October, prices of barrows and gilts at 8 markets averaged about \$17.80 per 100 pounds, about \$3.40 less than a year earlier. Hog prices next winter likely will average around the January-March 1967 average of \$19.10. Prices in the second half of next year will depend largely on how many sows farrow next winter and spring. If these farrowings are up significantly, hog

prices in the fall of 1968 will average substantially below prices this fall.

Lamb slaughter during the first 9 months of this year was about the same as in January-September 1966. However, slaughter supplies this fall and winter likely will be smaller than a year earlier. Lamb slaughter is expected to continue below last year's levels through 1968, due to a continuation of the decline in sheep numbers.

Choice slaughter lambs at San Angelo averaged \$22.50 per 100 pounds in late-October. A stronger market is in prospect for late fall and winter. Prices of slaughter lambs next year are expected to be generally above 1967 levels, reflecting smaller slaughter supplies.

REVIEW AND OUTLOOK CATTLE

Small Changes In Prospect for 1968

Cattle slaughter in 1968 likely will continue about as large as it has been this year. Fed cattle marketings are expected to rise, but gains over a year earlier may be smaller than in recent years. Cow and calf slaughter probably will decline further although reductions from a year earlier may be somewhat less than they have been this year. On balance, beef production likely will be about as large as in 1967, but the proportion of fed beef likely will show a further increase.

Cattle Numbers Likely Down again this year

Based on current information available on cattle and calf slaughter, calf crop, imports of live cattle, beginning inventories and death losses, it appears that cattle numbers are probably being reduced again this year. However, the indicated reduction will be rather small--probably around a $\frac{1}{2}$ million head from the 108.5 million head on farms on

January 1, 1967. And as in the past 2 years, beef herds are expected to increase with all of the reduction in the dairy herd. For example, from January 1, 1965, to the beginning of 1967, the number of dairy cattle on farms declined 2.7 million head. Meanwhile beef herds were built up 2.2 million head.

From the standpoint of future beef supplies, it is important that the number of beef cows on farms at the beginning of next year likely will be a little larger than the record 34.6 million head on farms on January 1, 1967. With more beef cows on farms, the beef calf crop likely will also rise slightly in 1968. Thus, fed beef production could be maintained at continued high levels. However, large increases in fed cattle marketings during 1968 cannot be made without reducing the feeder cattle supply and cutting back beef output during the following year.

Fed Cattle Marketings Up Slightly this Fall

Continued large marketings of fed

Table 1.--Number of cattle and calves on farms January 1, calf crop, number slaughtered and imports, United States, 1958 to date

Year	Numbers on farms		Calf crop	Imports	Number slaughtered		
	January 1				Cattle	Calves	Total
	Cattle	Cows	head	head	head	head	head
1958	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1959	head	head	head	head	head	head	head
1959	91,176	45,430	38,860	1,152	24,368	9,738	34,106
1960	93,322	45,244	38,938	709	23,722	8,072	31,794
1961	96,236	45,871	39,416	663	26,029	8,615	34,644
1962	97,700	46,598	40,180	1,043	26,471	8,080	34,551
1963	100,369	47,654	41,441	1,250	26,911	7,857	34,768
1964	104,488	48,968	42,268	852	28,070	7,204	35,274
1965	107,903	50,441	43,809	547	31,678	7,632	39,310
1966	109,000	51,219	43,928	1,128	33,171	7,788	40,959
1967	108,862	50,420	43,473	1,100	34,169	6,861	41,030
1968 3/	108,491	49,793	1/43,056	2/800	2/34,300	2/6,050	2/40,350
1968 3/	107.5-108.5						

1/ Preliminary. 2/ Estimated. 3/ Forecast.

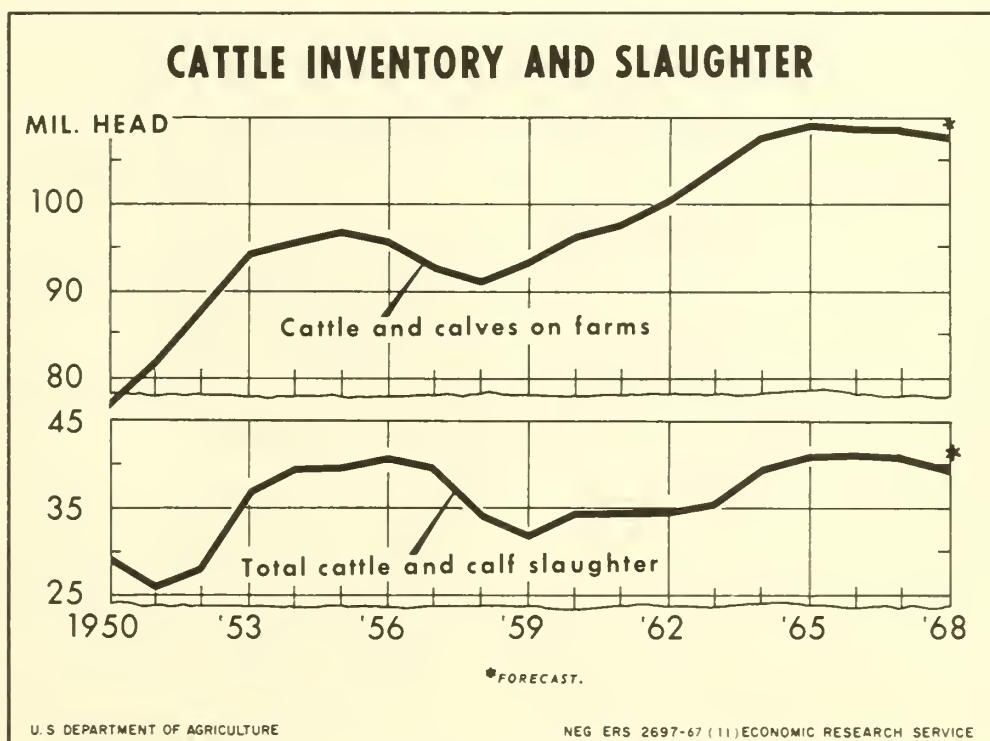
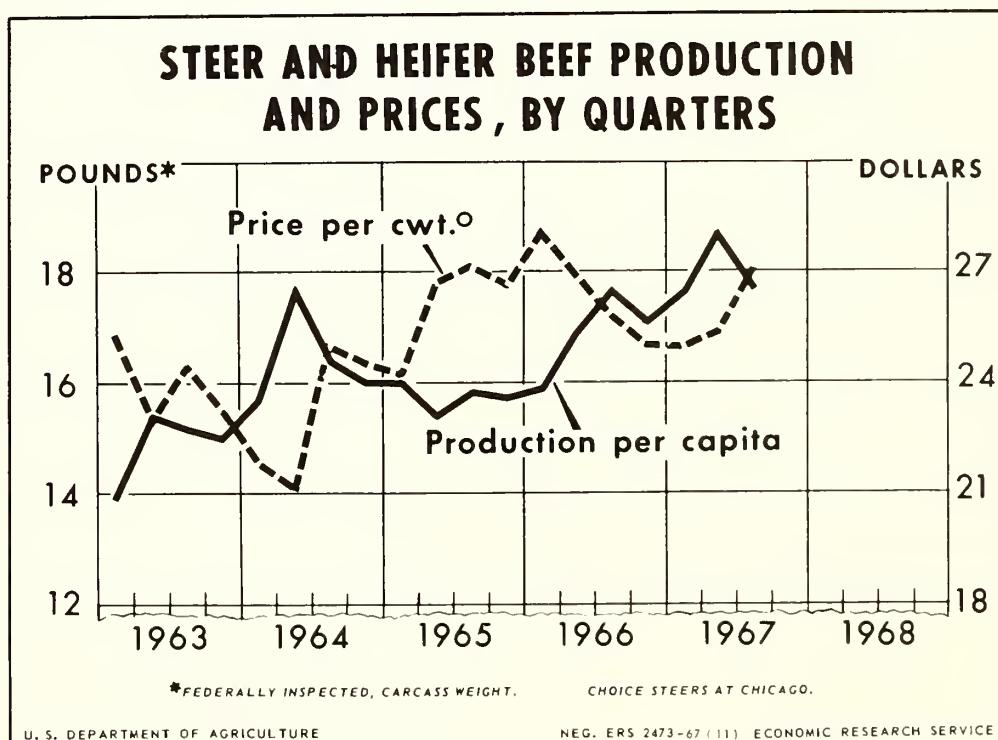


Table 2 ---Number of cattle and calves on feed October 1, by regions, and percent change from previous year, 1961 to date

Year	North Central States			Texas and Oklahoma	Western States	Total <u>1/</u>
	East	West	Total			
	North	North	Total			
	Central	Central				
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: head	: head	: head	: head	: head	: head
1961	: 835	: 2,834	: 3,669	: 282	: 1,683	: 5,760
1962	: 962	: 2,858	: 3,820	: 383	: 1,999	: 6,322
Percent change from 1961	: +15.2	: + 0.8	: + 4.1	: +35.8	: +18.8	
1963	: 1,062	: 3,353	: 4,415	: 490	: 2,147	: 7,175
Percent change from 1962	: +10.4	: +17.3	: +15.6	: +27.9	: + 7.4	
1964	: 1,028	: 3,305	: 4,333	: 499	: 2,141	: 7,222
Percent change from 1963	: - 3.2	: - 1.4	: - 1.9	: + 1.8	: - 0.3	
1965	: 1,068	: 3,551	: 4,619	: 541	: 2,347	: 7,738
Percent change from 1964	: + 3.9	: + 7.4	: + 6.6	: + 8.4	: + 9.6	
1966	: 1,051	: 4,013	: 5,064	: 632	: 2,458	: 8,424
Percent change from 1965	: - 1.6	: +13.0	: + 9.6	: +16.8	: + 4.7	
1967	: 1,135	: 4,028	: 5,163	: 785	: 2,397	: 8,566
Percent change from 1966	: + 8.0	: + 0.4	: + 2.0	: +24.2	: - 2.5	

1/ 28 States until 1963 than 32 States.



cattle are in prospect for this fall, but increases over a year earlier will be small. Cattle feeders reported intentions on October 1 to market 2 percent more cattle out of feedlots during October-December than in the same months last year. Corn Belt feeders plan to step up marketings 3 percent, while Western feeders said they would market 3 percent fewer cattle out of feedlots.

On October 1, there were 8.6 million cattle on feed, about 2 percent more than a year earlier. The number of steers and heifers on feed in weight groups that will supply the bulk of fall marketings was a little smaller than a year earlier. Thus, if cattle feeders carry out their October 1 intentions, they would have to market more light-weight cattle, and average weights likely would be less than they were a year earlier.

Fed cattle prices rose generally from spring until late summer, but then weakened. In April, Choice steers at Chicago were \$24.66 per 100 pounds. Prices rose to \$27.62 in September. By late-October Choice steers were selling for about \$27. The price rise in the spring and summer occurred as increases in fed cattle marketings over a year earlier diminished. Cattle feeders marketed 7 percent more cattle out of feedlots in the first half of 1967, but only 2 percent more than a year earlier during the summer. In addition to a narrowing in the gains over a year earlier, fed cattle marketings were 6 percent smaller during July-September than in April-June. Continued strong consumer demand in 1967 for high quality beef and a steeper than usual decline in slaughter weights of fed cattle from high levels earlier in the year contributed to the price rise last summer.

Fed beef production in October-December likely will approximate last fall's output because small increases in marketings out of feedlots are expected to be about offset by lighter slaughter weights. With higher incomes helping boost consumer demand, fed cattle prices the rest of this fall are expected to average around current levels--\$27 per 100

pounds for Choice steers at Chicago, about the same as in the summer and about \$2 above prices last fall.

Fed Cattle Marketings To Stay Large in 1968

In the winter, cattle feeders probably will market a few more cattle than they did in these months a year earlier. The number of cattle on feed on October 1 that will be ready for market next winter was up slightly. There were 1 percent more cattle on feed in the combined total of steers weighing 700-900 pounds and heifers weighing 500-700 pounds. The number and weight of cattle placed on feed this fall will also be important in determining winter marketings of fed cattle.

The current supply of feeder cattle available for feedlot finishing likely is a little smaller than it was last year as indicated by the calf crop, cattle slaughter and other market information currently available. However, even with slightly fewer feeder cattle available, placements this fall and winter are expected to be about the same or a little larger than in these months a year ago. Lower feed prices may encourage feeders to bid more actively for feeder cattle. However, sizeable gains in placements over a year earlier are not likely this fall. While price spreads between fed cattle and feeder cattle have become more favorable to cattle feeders in recent months, they are still fairly low. Unless fed cattle prices strengthen, cattle feeders may be more reluctant than usual to bid up prices of feeder cattle. Pasture and range conditions in most areas on October 1 indicated favorable prospects for fall and winter grazing. Particularly, if wheat pastures develop sufficiently and large quantities of young cattle are moved into these fields, placements on feed this fall would be reduced.

On balance, placements this fall are expected to be about the same or a little larger than in October-December 1966. If placements this fall are not much different than last fall and cattle

Table 3 .--Selected prices per 100 pounds of cattle, by months, 1966-67

Month	Chicago				Kansas City			
	Choice steers		Utility cows		Good feeder steers 550-750 lb.		Choice feeder steer calves	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	26.87	25.25	15.83	16.98	24.01	23.36	28.19	29.69
February	27.79	24.92	17.72	17.92	25.40	23.44	30.96	29.69
March	29.22	24.67	19.51	18.00	26.57	23.08	32.45	30.01
April	27.98	24.66	19.70	17.74	26.26	23.26	31.27	30.25
May	26.75	25.46	19.54	18.51	26.39	24.97	31.80	30.75
June	25.49	25.88	18.83	18.89	25.37	25.04	30.90	30.75
July	25.41	26.40	17.86	18.37	23.91	26.08	29.02	30.75
August	25.85	27.22	18.37	17.79	24.78	25.20	29.81	30.93
September	26.11	27.62	18.46	17.44	24.88	23.96	30.21	30.16
October	25.50	26.97	17.52	16.68	23.74	23.50	30.09	29.98
November	24.94		16.53		23.55		29.71	
December	24.50		16.40		23.06		29.31	
Average	26.29		18.02		24.83		30.31	

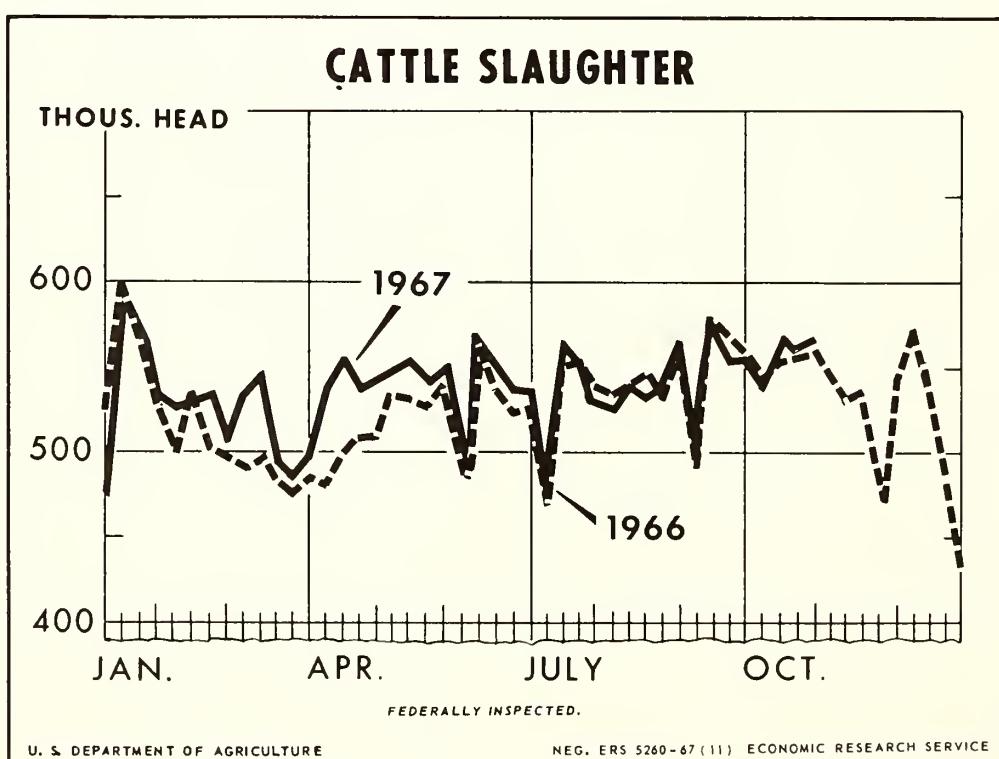


Table 4.--Number of cattle slaughtered under Federal inspection,
by class, with percentages of total, United States, 1955 to date

Year	Number				Bulls and stags
	Steers	Heifers	Cows		
	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	
1955	9,299	2,674	6,656		427
1956	10,310	2,837	6,624		414
1957	10,018	2,980	6,051		404
1958	9,840	2,951	4,558		293
1959	9,681	3,701	3,836		240
1960	10,557	4,124	4,441		273
1961	11,164	4,521	4,033		250
1962	11,447	4,420	4,250		222
1963	12,496	4,807	4,157		202
1964	14,395	5,128	5,322		287
1965	13,486	6,066	6,646		415
1966	13,846	6,935	6,120		420
1967 <u>1/</u>	14,700	7,100	5,575		375
Percentage of total					
	Steers	Heifers	Cows		Bulls and stags
	Percent	Percent	Percent		Percent
1955	48.8	14.0	34.9		2.3
1956	51.1	14.1	32.8		2.0
1957	51.5	15.3	31.1		2.1
1958	55.8	16.7	25.8		1.7
1959	55.4	21.2	22.0		1.4
1960	54.4	21.3	22.9		1.4
1961	55.9	22.6	20.2		1.3
1962	56.3	21.7	20.9		1.1
1963	57.7	22.2	19.2		.9
1964	57.3	20.4	21.1		1.1
1965	50.7	22.8	25.0		1.5
1966	50.7	25.4	22.4		1.5
1967 <u>1/</u>	53.0	25.6	20.1		1.3

1/ Estimated.

feeders carry out their fall marketing plans, the number of cattle on feed January 1 would be a little larger than at the beginning of this year.

With marketings of fed cattle expected to be a little above year-earlier levels and continued strong consumer demand, fed cattle prices next winter probably will average near fall levels, but above the January-March 1967 average of \$25 per 100 pounds for Choice steers at Chicago.

Some price weakness could develop late next winter and spring. On October 1 there were considerably more cattle on feed than a year earlier in weight groups that will supply a large part of late winter and spring marketings. Thus, an increase this fall in placements of cattle that will reach market weights in the spring likely would lead to moderately larger marketings next spring than in these months a year earlier. If this pattern of marketings develops, prices of fed cattle in the spring likely would average moderately below fall and winter levels.

Fed cattle marketings in the second half of 1968 probably will remain at a high level but any increase over a year earlier is expected to be small. The 1967 beef calf crop likely was a little larger than a year earlier. But the supply of yearling beef steers and heifers on farms at the beginning of 1968 likely will be smaller than a year earlier. However, with a continued shift toward marketing a greater percentage of all cattle through feedlots, fed cattle marketings probably will increase again in 1968.

This year, fed cattle marketings likely will account for about 62 to 64 percent of total cattle slaughter. Since the rate of increase in the beef calf crop has slowed considerably in the past several years, and the supply of yearling steers and heifers is likely smaller than a year earlier, it is unlikely that large gains in fed cattle marketings would be maintained for long periods during the next year or so. However,

bunched marketings and heavy weights could develop for short periods throughout 1968 and prices would weaken until the supply situation eased.

Cow Slaughter Off Sharply in 1967

Cow slaughter under Federal inspection was 11 percent smaller than a year earlier in the first 9 months of this year. It likely will continue smaller this fall, but reductions from 1966 levels likely will not be nearly so sharp.

Cow slaughter rose considerably in 1964 and 1965. It continued higher in the first half of 1966, but stockmen began to send fewer cows to slaughter in the second half of 1966.

Cow slaughter may be further reduced in 1968, but the reduction likely will not be nearly as sharp as it has been this year. Cow slaughter has already been adjusted downward in the past 2 years. Also, cattlemen likely will continue to expand beef herds and the reduction in dairy herds likely will be moderate. Other factors pointing to expansion of beef herds are: better than average pasture and range conditions, adequate feed supplies and an outlook for calf prices in 1968 to continue well above the low levels in 1963-65.

Cow prices rose sharply in 1966 and Utility cows at Chicago averaged \$18.02. This year, cow prices rose seasonally to a high of \$18.89 in June before declining to \$16.15 in late-October. Prices have been 50 cents to \$1 lower this year, even though cow slaughter has been considerably smaller. However, cow prices will still average considerably higher than the 1960-65 average of \$15.02. Imports of beef have been moderately larger and pork production has been well above a year earlier so far in 1967.

Cow prices next year probably will average about the same as in 1967. The number of cows slaughtered likely will be further reduced. However, imports of beef may rise somewhat, reflecting

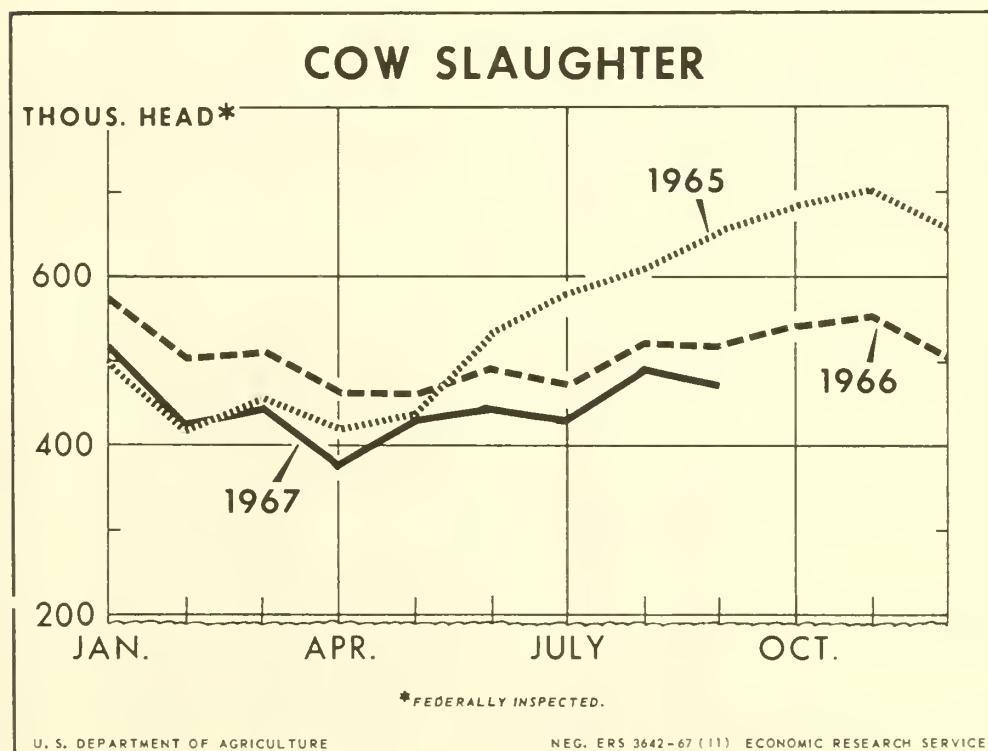
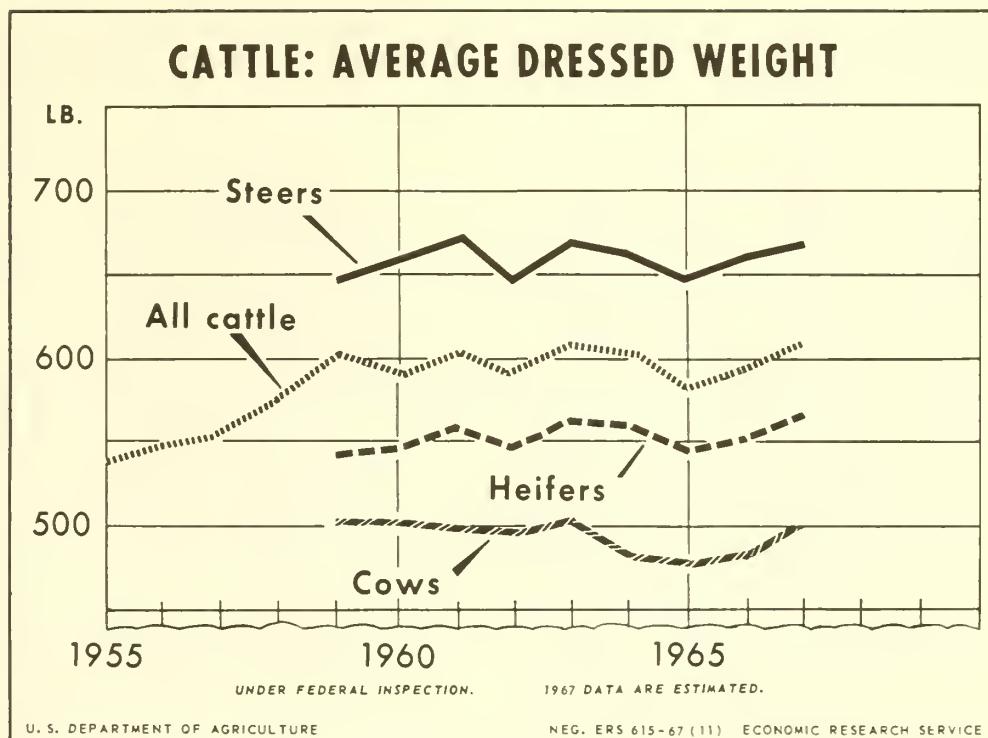


Table 5 .--Specified costs and net returns in 6 selected Corn Belt cattle feeding programs, 1965-66 and 1966-67 1/

Feeding program	1965-66			1966-67		
	Price per 100 pounds			Price per 100 pounds		
	Paid for feeder	Received for fed cattle	Net return per head 2/	Paid for feeder	Received for fed cattle	Net return per head 2/
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>Calves</u>						
Heifer calves, short fed-- Bought as Choice, Sept.-Oct. Sold as Choice, June-July	22.32	24.51	+2.19	+24.81	25.39	25.54
Steer calves, long fed-- Bought as Good and Choice, Sept.-Nov. Sold as Choice, Aug.-Oct.	24.56	25.82	+1.26	+32.73	28.47	27.28
<u>Yearlings</u>						
Standard yearling steers, short fed-- Bought as Good, Sept.-Oct. Sold as Good-Standard, Jan.-Feb.	22.00	25.29	+3.29	+33.19	23.11	23.88
Good yearling steers, short fed-- Bought as Choice, Sept.-Nov. Sold as Choice, Apr.-June	24.48	26.74	+2.26	+18.70	26.98	25.32
Yearling steers, long fed-- Bought as Good and Choice, Sept.-Nov. Sold as Good and Choice, July-Sept.	23.48	25.22	+1.74	+11.78	25.52	26.14
<u>Heavy Steers</u>						
Heavy steers, short fed-- Bought as Choice, Sept.-Nov. Sold as Choice, March-May	23.86	27.98	+4.12	+30.22	24.78	24.93

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1/ Feeding programs designed to be fairly representative of average feeding programs in the Corn Belt. Feeders are purchased in Kansas City and sold at Chicago.

2/ Net return over cost of corn, hay, protein supplement, pasture, transportation and marketing expenses. Does not include labor, overhead, cost of other feeds and death loss, or credit for manure.

strong cattle prices. Also, pork production is expected to remain large next year.

Corn Belt Feeding Returns Uneven

Returns to Corn Belt cattle feeders in the 1966/67 feeding season depended to a considerable extent on when and at what weights cattle were marketed. Cattle feeders who sold cattle out of feedlots in the winter or spring likely made very low returns. Others whose cattle were sent to market in the summer or early fall likely showed much more favorable returns. On balance, returns in the Corn Belt were lower this past feeding season than they were in the 1965/66 feeding season.

Table 5 shows several representative Corn Belt feeding operations. The table assumes that feeder cattle were bought at Kansas City in the fall of 1966 and sold as fed cattle at Chicago 4 to 11 months later.

Fed cattle marketed during the past feeding season were generally sold for about the same price per 100 pounds as they cost as feeder cattle. In some instances fed cattle prices were lower than feeder prices several months earlier. This contrasts with the previous feeding season when margins were more favorable to feeders. Currently fed cattle are

being sold at prices about the same as, or a little above the cost of feeder cattle several months earlier.

During the 1966/67 feeding season, feed costs were higher than a year earlier. Corn prices were higher throughout the feeding period. Soybean meal prices were higher than a year earlier until spring. Transportation and other marketing costs and alfalfa prices were about the same as in other recent years.

Returns were the largest on feeding programs that brought cattle to slaughter weights last summer. Choice steer calves put on feed in the fall of 1966 and sold as Choice fed steers in August-October 1967 showed the highest returns. Short-fed heavy steers placed on feed last fall and marketed in late winter had the lowest returns. These cattle were in feedlots during the months of highest feed costs and the fed cattle market did not improve until after they had been moved to slaughter.

Feed costs are expected to be significantly lower during the upcoming season because of the sharply larger supply. All feeds are currently lower priced than a year earlier. The price spread between fed cattle and feeder cattle several months earlier likely will continue rather narrow. Thus, although returns from winter feeding programs in the Corn Belt in the 1967/68 feeding season likely will be a little more favorable than last year, they probably will average less than in the 1965/66 feeding season.

HOGS

Commercial hog slaughter in 1967 likely will be about 10 percent larger than a year earlier. This would also be 10 percent above 1965 but 2 percent below 1963 and 1964. Slaughter in the first half was up 16 percent but in the second half probably will be about 6 to 7 percent larger than a year earlier.

The sharp rise in slaughter in the first half of this year reflected the substantial increase in the June-November 1966 pig crop compared with the relatively small pig crop a year earlier, and the low level of slaughter in January-June 1966. Commercial hog slaughter in July-

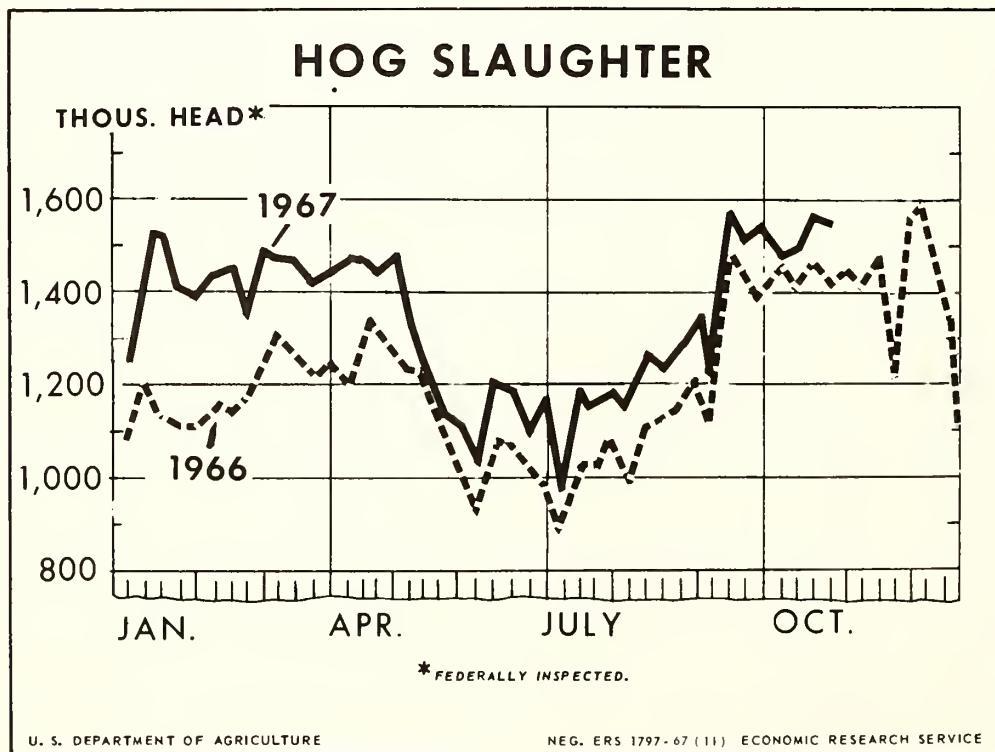
September was about 9 percent above the 1966 summer quarter. Although weekly slaughter rates continued above year-earlier levels in October, the increase narrowed further. The inventory of hogs and pigs on farms September 1 suggests that for the balance of the year, slaughter supplies may be nearer year-earlier levels.

Prices of barrows and gilts at 8 markets probably will average near \$20 per 100 pounds in 1967--down around \$3.50 from a year earlier. However, except for 1965 and 1966, this will be the highest annual average price since 1958. Substantially larger pork production this year,

Table 6 .--Selected prices per 100 pounds of livestock, by months, 1966-67

Month	Barrows and giltts at 8 markets 1/		Sows at 8 markets 1/		Choice lambs at Denver		Choice feeder lambs at S. St. Paul	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	27.93	19.46	23.84	15.52	27.72	2/	27.24	22.90
February	27.80	19.38	25.09	16.17	27.62	20.50	28.27	21.02
March	24.41	18.43	21.80	16.09	25.42	20.45	26.27	20.70
April	22.26	17.62	18.87	15.33	26.86	20.56	24.39	20.70
May	23.16	21.83	18.35	17.90	26.00	27.37	23.00	21.14
June	24.72	22.29	19.16	17.84	25.11	26.16	21.20	20.10
July	25.09	22.58	19.40	18.24	23.75	24.58	21.58	22.25
August	25.75	21.05	21.45	17.89	23.85	23.85	21.81	21.41
September	23.16	19.46	20.91	17.21	23.89	22.67	22.54	20.30
October	21.57	18.16	19.40	16.21	23.81	23.05	22.35	21.32
November	19.87		16.86		23.02		21.58	
December	19.67		15.08		22.60		22.75	
Average	23.49		19.77		24.97		23.58	

1/ Average for all weights at Midwest markets. 2/ No price quoted.



particularly early in the year, was the main reason for lower prices. Larger output of fed beef and poultry also exerted downward pressure on hog prices.

In the first 6 months of this year, prices of barrows and gilts averaged about \$19.80 per 100 pounds, compared with \$25 during January-June 1966. The margin below a year earlier narrowed in the summer with prices at 8 markets averaging \$21--down \$3.65 from a year earlier. Although prices have continued lower this fall, the margin below a year earlier continued to narrow. In late-October, barrows and gilts averaged \$17.80--about \$3.40 less than late-October 1966. Hog prices may strengthen later this fall or early next winter, after the peak marketing period passes and slaughter rates approach those of a year earlier.

Several Factors May Encourage Larger Pork Output In 1968

In the first half of the year slaughter supplies may be slightly smaller than in January-June 1967. However, pork output during this period could be as large as a year earlier because the average weight of slaughter hogs is expected to be heavier. In the second half of 1968, hog slaughter will depend largely on the size of the spring pig crop. However, there are several factors that may encourage some increase in pork production in 1968.

Although the September Pig Crop Report indicated that the June-December 1967 pig crop in 10 Corn Belt States will be slightly smaller than in 1966, producers' actions in the other States may be somewhat offsetting. For example, since late 1965, when hog producers began increasing the number of sows farrowing, the rate of expansion in the States outside the Corn Belt has consistently exceeded the rate of increase in 10 Corn Belt States. The December 1965-November 1966 pig crop in 10 Corn Belt States was 9 percent larger than a year earlier, while the 1966 crop in the remaining States was 13 percent larger. This pattern continued this

past spring. Thus, if producers in the other States continued to expand the June-November crop, it would at least partially offset the small decline indicated for the Corn Belt and tend to boost January-June slaughter supplies to near year-earlier levels.

Changes in market weights of slaughter hogs will also effect the volume of pork production over the next several months. Market weights shifted during January-September this year and further changes are expected in 1968. For example, in the first half of 1967 market weights of barrows and gilts at 8 markets averaged 238 pounds--about 1 percent below a year earlier. However, in the summer, market weights of barrows and gilts averaged seasonally lower--231 pounds--but were 2 percent heavier than in July-September 1966.

Larger supplies and lower prices of feed grains and high protein feeds likely will contribute to heavier slaughter weights later this fall and next year. The October Crop Report indicated 1967 feed grain production will be up 12 percent from 1966 output and that the corn crop--estimated at 4.7 billion bushels--will exceed year-earlier output by 15 percent. Corn prices changed only a little in the first 6 months of this year, and at Chicago at mid-year were only 3 percent below January highs. However, corn prices have declined steadily since mid-year. In late-October they averaged 17 percent below early July and about 16 percent under a year earlier. On balance, feed grain supplies are large and prices will be relatively low this fall, and hog producers probably will feed hogs to heavier weights well into 1968.

Large feed grain supplies will also affect hog slaughter and pork output in the second half of 1968. July-December 1968 slaughter will reflect changes in the December 1967-June 1968 pig crop. Although the hog-corn price ratio may not now be as important an indication of changes in hog production as it was several years ago, the relationship of hog prices to corn prices still has an

Table 7 ---Farrowings, hog slaughter, pork consumption,
and hog price ratios, by quarters, 1958 to date

Year	Farrowings				Commercial slaughter 2/			
	Dec.- Feb. 1/	Mar.- May	June- Aug.	Sept.- Nov.	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June
	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	Mil. <u>head</u>	Mil. <u>head</u>	Mil. <u>head</u>	Mil. <u>head</u>
1958	2,680	4,601	3,141	2,746	16.7	20.1	20.6	18.4
1959	3,053	4,943	3,346	2,782	19.0	23.6	22.2	19.2
1960	2,507	4,275	3,035	2,804	17.6	20.1	20.0	18.5
1961	2,521	4,497	3,081	2,837	17.4	21.4	20.6	19.3
1962	2,580	4,416	3,141	2,957	17.4	22.1	21.6	20.0
1963	2,593	4,506	3,125	2,862	18.8	23.0	22.2	19.7
1964	2,366	4,230	2,903	2,622	18.1	23.0	20.7	17.7
1965	2,178	3,712	2,548	2,458	17.0	18.4	17.7	17.3
1966	2,231	3,988	2,910	2,738	17.6	21.4	21.5	19.0
1967	2,351	3,912	3/5,600		19.3	4/22.0		4/40.5
1968 4/		6,060(-3%)				40.1		
		6,260(0%)				41.3		
		6,450(+3%)				42.5		
	Percentage of barrows and gilts in federally inspected slaughter				Hog-corn price ratio			
	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June
	Pct.	Pct.	Pct.	Pct.				
1958	87.1	91.8	93.7	88.2	17.9	18.0	15.2	13.3
1959	87.0	91.5	93.9	90.2	12.1	12.3	13.5	14.7
1960	87.8	91.6	94.1	90.0	15.1	18.1	17.3	16.2
1961	87.3	92.0	93.7	90.6	16.4	16.7	17.0	15.3
1962	87.7	91.8	94.1	90.8	17.0	16.4	14.0	13.2
1963	87.6	91.8	93.7	91.0	13.7	13.6	13.0	12.5
1964	88.4	91.5	93.9	90.7	14.1	13.4	13.8	16.0
1965	90.7	92.2	94.1	90.8	19.3	23.5	22.0	19.4
1966	88.8	92.6	93.9	91.3	17.6	15.4	14.6	15.9
1967	90.5	3/92.6	4/92.5		17.7	3/17.5		4/17.7

1/ December of previous year.

2/ Quarters correspond approximately to farrowing months shown.

3/ Estimated.

4/ Forecast.

important bearing on hog producers' production decisions. In the past, hog producers have generally responded to sharp increases in feed grain production and lower feed prices.

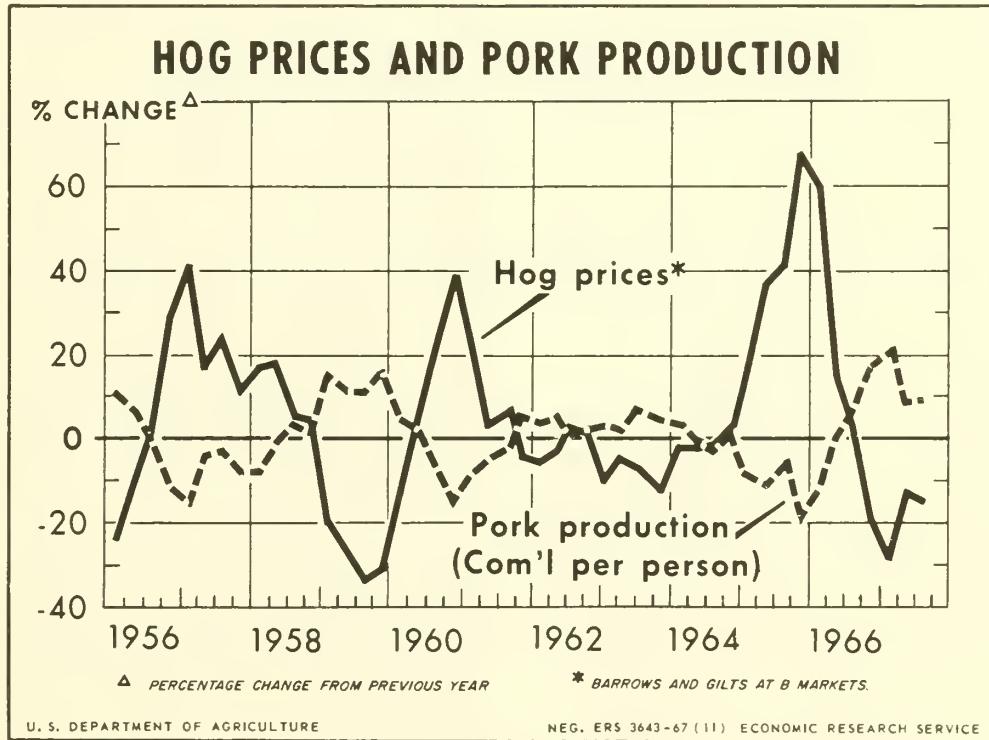
In spite of the decline in hog prices this summer and early fall, the hog-corn price ratio has averaged near year-earlier levels because corn prices have declined along with hog prices. In late-October the ratio was near 16.5 (Chicago basis). While this was below the summer average of about 17.2, it was well above the early spring 1967 average of 13.1. Also, hog-feed price ratios are expected to continue relatively favorable to hog producers through the balance of 1967 and in early 1968. As a result, producers may be encouraged to increase the number of sows bred this fall and winter. If this develops, the December 1967-May 1968 pig crop would be larger than a year earlier and hog

slaughter in the second half of 1968 would be up accordingly.

Changes in sow slaughter this year also indicate that some further production expansion may be under way. Sharply reduced marketings of slaughter sows in the summer, in contrast to substantially larger marketings last winter and spring suggest that farmers have been holding more sows for breeding. Federally inspected sow slaughter was 12 percent larger than a year earlier during the first half of 1967 but dropped 9 percent below in the third quarter. This sharp change in the level of sow slaughter indicates farmers may be increasing the number of breeding stock on farms.

Prices In 1968

Hog prices may average near a year earlier in the first half of 1968, following a more normal seasonal pattern and a



generally smoother course than in 1967. While some downward seasonal adjustment likely will occur in the late winter or early spring, subsequently hog prices are expected to gradually rise from early 1968 to a summer high. Prices then are likely to move downward to a fall low. However, the level of hog prices in the summer and fall of 1968 will depend largely on the size of the 1968 spring pig crop. Any significant increase in production likely would result in a much larger relative decline in price. Consequently, a moderately larger spring pig crop probably would result in prices in the fall of 1968 averaging well below those this fall.

USDA Meat Purchases

The U. S. Department of Agriculture purchased 16.0 million pounds of

canned chopped meat (mostly pork) from September 21 through November 3, at an f.o.b shipping point cost of \$7.0 million. This product is being purchased for use in the family distribution programs. Funds for the program are being provided under Section 32, Public Law 320-74. In late-October it was announced that initial purchases will be made in early November of canned pork and frozen ground beef for distribution to schools. The canned item is an all-pork product and the ground beef will be processed largely from cow beef. Funds for these programs are provided under Section 6 of the National School Lunch Act.

SHEEP AND LAMBS

This year marks the eighth consecutive year of sheep and lamb liquidation in the United States. Stock sheep and lamb numbers have been declining at an average annual rate of nearly 5 percent since 1960. The inventory of stock sheep and lambs on January 1, 1967 was 20.7 million head--down 28 percent from January 1, 1960, the most recent peak--and a record low.

In the early 1960's lamb slaughter was large and lamb prices were relatively low. However, since 1965 slaughter supplies have dropped and prices have averaged above any period since the early 1950's. Also, feed conditions, with some exceptions have not been severe enough to significantly restrict stock sheep numbers. Nevertheless producers have continued to reduce breeding herds during this period. Lamb prices this spring and summer have been generally favorable, compared with most other recent years, pasture conditions have been generally good and prospects for winter feed are well above average. However, sheep and lamb slaughter has been at a level that will result in some further decline in the number of sheep and lambs on farms and ranches, during 1967.

Slaughter Supplies Continue Below A Year Earlier

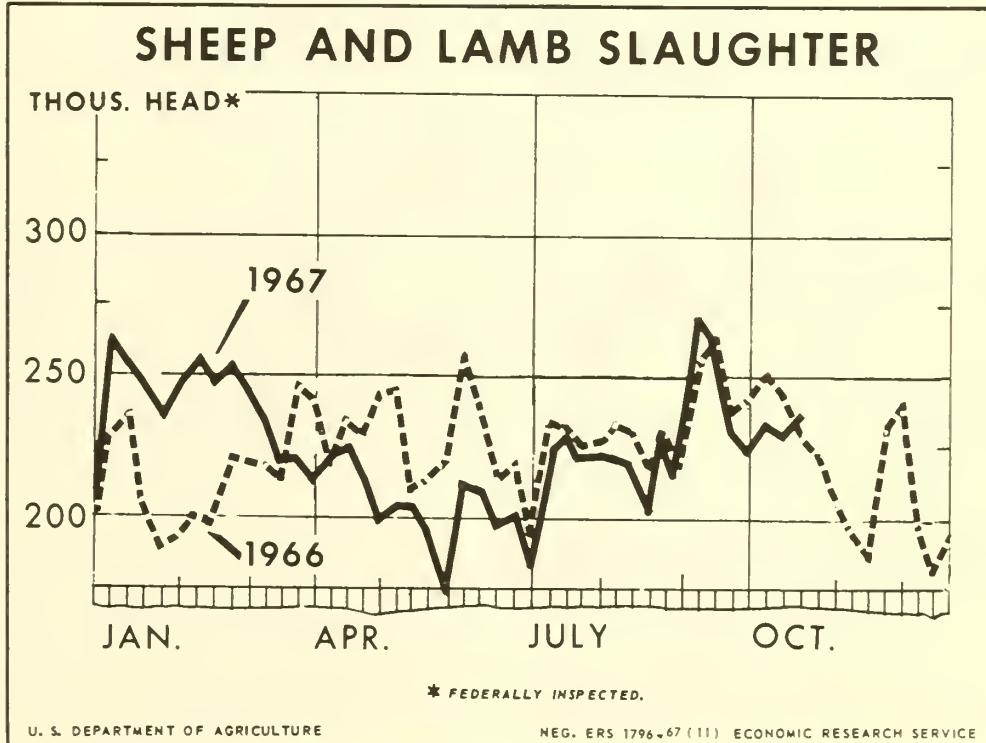
Sheep and lamb slaughter in 1967 will be down slightly from 1966. Commercial slaughter in the first half of this year was 2 percent above a year earlier as a 14 percent increase in the winter quarter more than offset a 9 percent decline in April-June. However, sheep and lamb slaughter in the third quarter was down 2 percent from a year earlier and is expected to be further reduced this fall. Summer slaughter was held at higher levels than would normally be expected considering the 6 percent smaller lamb crop this year. Apparently a larger proportion of lambs were slaughtered directly off grass due to more favorable feed conditions. Therefore, slaughter in the fourth quarter likely will be below October-December 1966.

Sheep and lamb slaughter in early 1968 is expected to continue below a year earlier because fed lamb supplies likely will be smaller. Lamb slaughter probably will continue below 1967 levels from early spring through the balance of the year as the 1968 lamb crop is expected to be smaller than the 1967 crop.

Table 8 ---Balance sheet for sheep and lambs,
United States, 1956 to date

Year	Number on farms Jan. 1	Born during year	Net exports	Slaugh- ter	Deaths	Adjust- ment factor	Number on farms Dec. 31
	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>	1,000 <u>head</u>
1956	31,157	20,336	+57	16,328	4,322	-132	30,654
1957	30,654	19,810	+18	15,292	4,353	+416	31,217
1958	31,217	20,686	-22	14,495	4,350	-474	32,606
1959	32,606	21,120	-54	15,528	4,539	-543	33,170
1960	33,170	21,012	-14	16,240	4,590	-641	32,725
1961 1/	32,725	20,782	+27	17,537	4,499	-475	30,969
1962	30,969	19,712	+16	17,168	4,437	+116	29,176
1963	29,176	18,516	+28	16,147	4,157	-244	27,116
1964	27,116	16,994	+10	14,895	4,062	-16	25,127
1965	25,127	16,312	+6	13,300	3,910	+511	24,734
1966	24,734	15,879	+51	13,001	3,627	-207	23,727
1967	23,727	14,988	2/+75	2/12,800	2/3,480		2/22.2-22.6

1/ Beginning 1961, 50-State total. 2/ Estimated.



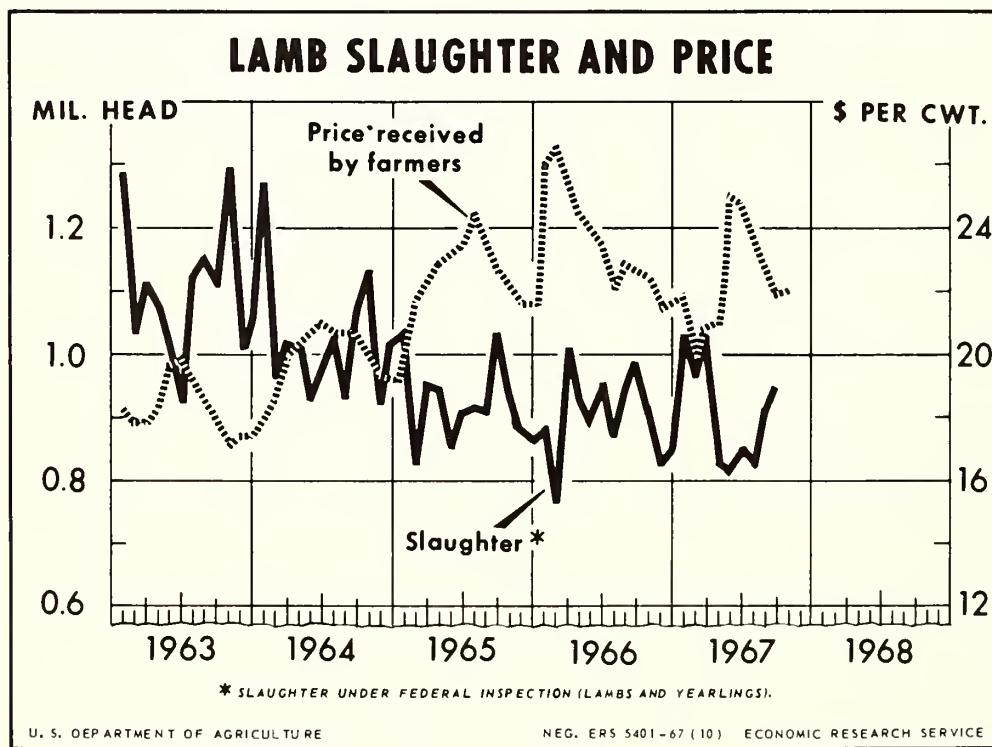
Smaller Discounts on Heavy Weights this Year

Price discounts on heavy weight lambs usually develop in the fall and winter. During this period, fed lambs normally make up a large proportion of the slaughter supply. As fed lamb marketings increase in the fall, the supply of heavy carcasses usually exceeds the rather limited demand and prices for these weights are discounted from prices paid for lighter weights. Discounts generally widen into the winter when fed lambs comprise most of the slaughter supply and slaughter weights are seasonally heavy. The magnitude of these discounts varies from year to year and is generally related to the total supply of lamb, as well as the relative supply of heavy weight lambs.

Smaller slaughter supplies and lighter average market weights of slaughter lambs have delayed seasonal price

discounts on heavy lambs this fall. In late-October, 35-45 pound and 55-65 pound carcasses at Chicago were still selling at the same price--\$51.56 per 100 pounds--indicating that the supply of heavy lambs was still about in balance with market demand. This contrasts with a year earlier, when heavier carcasses brought about \$3 less than the lighter weight carcasses.

As fed lamb marketings increase seasonally this fall and winter, price discounts on heavier lambs will develop. However, the price difference likely will be less than in the winter of 1967. In that period, marketings were large, the market was weak, and slaughter weights were at record levels. Discounts on heavy carcasses were substantial--up to \$8 per 100 pounds. Smaller slaughter supplies and a stronger market this fall and winter will tend to encourage lamb feeders to market lambs at more desirable weights than a year earlier. These factors,



taken together, will tend to minimize price discounts on heavy lambs over the next several months.

Feeder Lamb Supplies Limited

The supply of feeder lambs is smaller this fall than last as a result of the smaller lamb crop and a larger movement of lambs slaughtered off grass in the summer. Shipments into the Corn Belt were down 41 percent from a year earlier during July-September. Consequently, there likely will be fewer lambs on feed on January 1, 1968 than a year earlier. Feeder lamb supplies are expected to continue generally below year-earlier levels in 1968 because the lamb crop will be smaller.

Strong Prices In Prospect

Slaughter lamb prices have followed a normal seasonal pattern this year and have generally reflected the changing slaughter supply. Prices rose from a low weekly average of around \$19.50 February (Choice grade, San Angelo) to \$26.50 in early May; then declined to \$21.50 in early September. Slaughter lamb prices strengthened in the early fall and Choice grade wooled slaughter lambs in San Angelo averaged about \$22.50 in late-October. A generally stronger

market is expected to continue through the balance of the year in contrast to a steady to weak market in the fall of 1966.

Slaughter lamb prices in 1968 are expected to average above 1967 and be generally higher throughout the year. Price changes during the year may be somewhat smaller in 1968 than this year as slaughter rates are not expected to fluctuate as much.

In 1967, feeder lamb prices ranged mostly between \$20 and \$22 (Choice grade, San Angelo) through the first 9 months and in mid-summer were near \$20.25. Prices have strengthened since August with an advance of \$1.50 into early fall.

In Late October, Choice grade wooled feeder lambs in San Angelo averaged \$21.50. Feeder lamb prices are expected to follow a generally stronger tone this fall and winter. Larger supplies and lower costs of feed this fall and winter will encourage more aggressive bidding by lamb feeders for the smaller supply of feeder lambs. However, the relatively low returns from lamb feeding in late 1966 and early 1967 will dampen lamb feeders' optimism this fall and winter. Prices likely will follow a generally normal seasonal pattern in 1968 but probably will average higher than in 1967.

FOREIGN TRADE IN MEAT

Meat Imports in January-September Up Slightly From Year Earlier

Meat imports in the first 9 months of 1967 totaled 1.3 billion pounds (carcass weight equivalent), 5 percent more than in these months in 1966. Beef and veal accounted for most of the increase. Pork imports also were larger, but imports of lamb and mutton and goat were smaller.

Imports of beef and veal in the first 9 months totaled 965 million pounds (carcass weight equivalent) 9 percent larger than a year earlier. Imports of beef and veal always are considerably larger than imports of other meats,

accounting for 72 percent of total meat imports during the first 9 months this year, compared with 69 percent a year earlier.

The import volume of beef and veal compared with a year earlier has varied considerably from month to month so far this year, but increases over a year earlier generally were larger early in the year. Beef and veal imports were 26 percent above a year earlier in January-March, 11 percent smaller in April-June, and 15 percent larger in July-September. During the rest of 1967, imports of beef and veal are expected to average near year-earlier levels.

Table 9--U. S. meat imports and exports: January-September, 1966-67,
and percentage comparisons (carcass weight)

Item	1966			1967			Percent change		
	Jan.-	Sept.	Aug.	Jan.-	Sept.	Aug.	Jan.-	Sept.	Jan.-
Imports									
	1,000 pounds	Percent	Percent						
Beef and veal	748,731	136,011	884,742	825,665	139,115	964,780	+10	+ 2	+ 9
Lamb	12,089	631	12,720	6,106	1,503	7,609	-49	+138	-40
Mutton and goat	92,511	8,244	100,755	66,660	10,772	77,432	-28	+ 31	-23
Pork	256,319	28,227	284,546	265,846	26,838	292,684	+ 4	- 5	+ 3
Total meat	1,109,650	173,113	1,282,763	1,164,277	178,228	1,342,505	+ 5	+ 3	+ 5
Exports									
Beef and veal	26,110	3,092	29,202	28,836	2,446	31,282	+10	- 21	+ 7
Lamb and mutton:	1,529	204	1,733	1,442	423	1,865	- 6	+107	+ 8
Pork	32,834	4,331	37,165	37,235	4,063	41,298	+13	- 6	+11
Total meat	60,473	7,627	68,100	67,513	6,932	74,445	+12	- 9	+ 9

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Table 10.—Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-67

Pork imports totaled 293 million pounds (carcass weight equivalent) in January-September, 22 percent of total meat imports, the same percentage of total imports as a year earlier. When compared with the same months a year earlier, the volume of pork imports during January-September did not differ substantially and totaled 3 percent larger. Pork imports during the rest of the year probably will continue above a year earlier, since production is increasing in countries that export to the United States.

Imports of mutton and goat totaled 77 million pounds in January-September (carcass weight equivalent)--about 6 percent of total meat imports. They were 23 percent below a year earlier.

Imports of lamb totaled 7.6 million pounds in January-September--about 0.6 percent of total meat imports. They were only about 40 percent as large as a year earlier. During the rest of the year, lamb imports are not expected to run as much below year-earlier levels.

Meat Exports Increase Moderately in January-September

Meat exports totaled 74 million pounds in January-September, 9 percent more than in the first 9 months of 1966. Pork exports totaled 41 million pounds, up 11 percent from a year earlier.

Exports of beef and veal totaled 31 million pounds, 7 percent larger than in January-September 1966.

Imports of Meat Subject to Quota

Public Law 88-482 places limits on imports of certain meats (primarily fresh, chilled or frozen beef and veal) in relation to U. S. production of these meats. The adjusted base quota for 1967 is 904.6 million pounds (product weight). The law requires that the President proclaim import quotas on these items if annual imports are estimated to equal or exceeded 110 percent of the adjusted base quota.

The level of estimated imports which would trigger proclamation of quotas for 1967 is 995 million pounds. Imports of meat subject to quota totaled 648 million pounds in January-September, about 5 percent more than in the first 9 months last year. With imports of these meats during the rest of 1967 expected to average about the same as a year earlier, imports in 1967 are expected to total about 860 million pounds.

The Secretary of Agriculture makes estimates of the annual total of imports of meat subject to quota before the beginning of each year and again during each quarter in the year. The fourth quarterly estimate of 1967 imports was announced in September.

MEAT CONSUMPTION AND RETAIL PRICES

Red Meat Consumption Larger this year

Consumption of red meats in 1967 likely will average around 5 pounds per person above the 170 pounds consumed in 1966. The gain reflects large enough increases for beef and pork to more than offset small declines for veal and lamb. Retail prices of red meats were lower than a year earlier in the first half of 1967, when production gains were large. Prices in the second half are averaging about the same as in 1966.

Beef consumption in 1967 likely will average 1 to 2 pounds per person more than the 104 pounds consumed in 1966. Increases in the first half likely will account for most of the gain in beef, since consumption in the second half is running about the same as in July-December 1966.

Beef consumption in 1968 is expected to continue at a high level, but may average a little less than this year. Retail beef prices early in 1967 were as much as 4 cents per pound below year-earlier

Table 11.--Production and consumption per person of red meat,
United States, 1956-67 1/

Production 2/

Year	Beef	Veal	Lamb and mutton	Pork	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1956	14,462	1,632	741	11,200	28,035
1957	14,202	1,526	707	10,424	26,859
1958	13,330	1,186	688	10,454	25,658
1959	13,580	1,008	738	11,993	27,319
1960	14,753	1,109	768	11,606	28,236
1961	15,325	1,044	832	11,407	28,608
1962	15,322	1,015	808	11,827	28,972
1963	16,453	929	770	12,428	30,580
1964	18,453	1,013	715	12,511	32,692
1965	18,724	1,020	651	11,140	31,535
1966	19,725	910	650	11,337	32,622
1967 3/	20,100	775	625	12,350	33,850

Consumption per person

	Lb.	Lb.	Lb.	Lb.	Lb.
1956	85.4	9.5	4.5	67.3	166.7
1957	84.6	8.8	4.2	61.1	158.7
1958	80.5	6.7	4.2	60.2	151.6
1959	81.4	5.7	4.8	67.6	159.5
1960	85.0	6.1	4.8	64.9	160.8
1961	87.7	5.6	5.1	62.0	160.4
1962	88.8	5.5	5.2	63.5	163.0
1963	94.3	4.9	4.8	65.3	169.3
1964	99.8	5.2	4.2	65.3	174.5
1965	99.3	5.2	3.7	58.5	166.7
1966	104.0	4.5	4.0	58.0	170.5
1967 3/	105.6	3.8	3.7	62.8	175.3

1/ 50 States, beginning in 1960.

2/ Production of red meats is total dressed weight from total United States slaughter.

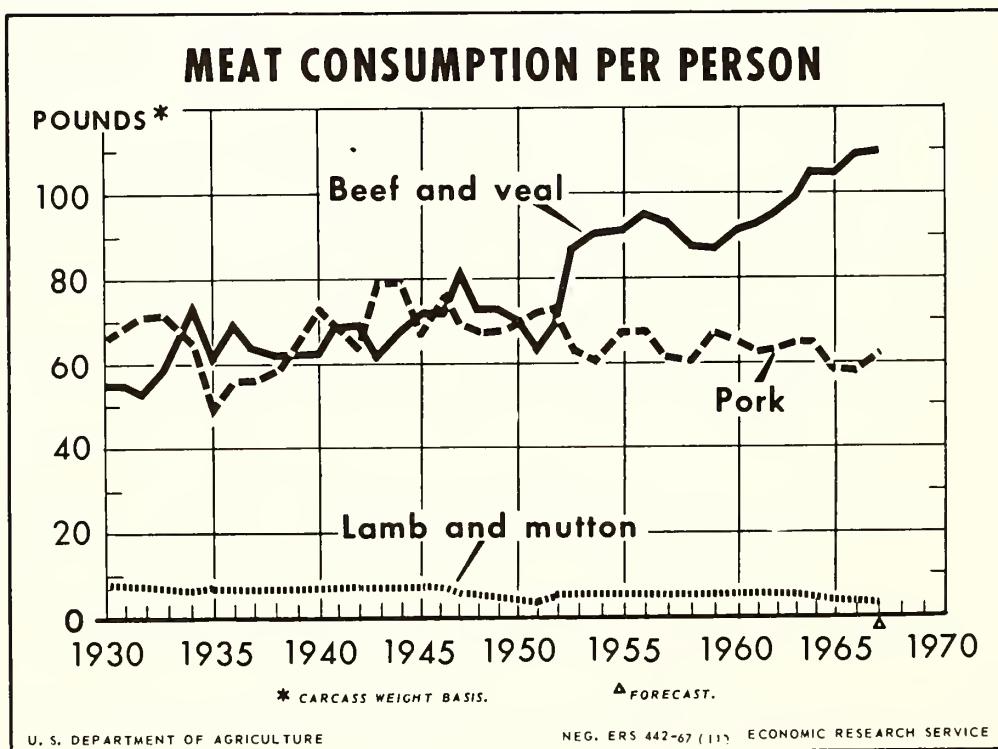
3/ Estimated.

prices. But this situation has been changing and prices in the closing months this year likely will average a little higher than a year earlier. Retail beef prices next year probably will average somewhat higher than prices this year.

Consumption of pork is rising more than 4 pounds per person this year above the 58 pounds consumed in 1966. The sharpest increases were early in the year. Pork consumption per person this fall likely will be near a year earlier. The relationship between hog prices and corn prices is favorable to continued large production. In 1968, consumption of pork per person likely will run at least as large as this year.

Retail pork prices averaged between 66 and 67 cents per pound in the first half of this year, about 9 cents less than in January-June 1966. Prices during the second half continued below a year earlier, but the margin was smaller. With little change expected in pork consumption in 1968 prices of pork at retail are expected to average close to prices this year, or a little higher.

Veal consumption is declining again in 1967. Per capita consumption likely will be at least 1/2 pound less than the $4\frac{1}{2}$ pounds consumed per person in 1966. Since early 1966, veal prices at retail have been higher than a year earlier and were about 5 cents a pound higher in the first half this year. However, by the end of 1967, veal prices are expected to



be only a little higher than the 90 cent per pound average in the fall of 1966. Retail veal prices probably will rise again in 1968, because of reduced supplies.

Lamb consumption is declining again in 1967. Consumption during the year is expected to be down about 1/3

of a pound from the 4 pounds consumed in 1966. Lamb prices at retail in the first half of this year were slightly lower than a year earlier, but by midyear they were averaging higher. Retail prices likely will continue above prices a year earlier this fall and throughout 1968 because of reduced supplies available for consumption.

: The Livestock and Meat Situation is :
: published in February, March, May, August, :
: October, and November. :
:
: The next issue is scheduled for release :
: February 1968. :
:

Table 12.--Average retail price of meat per pound,
United States, by months, 1964 to date

Pork

Beef, Choice grade

Lamb, Choice grade

1964	:72.4	70.9	72.4	71.1	71.8	72.7	74.0	75.5	76.3	75.8	75.4	75.4	73.6
1965	:75.5	74.7	76.5	77.6	78.5	81.5	83.9	82.9	82.1	81.0	80.7	79.6	79.5
1966	:82.2	86.4	88.4	86.9	86.1	87.1	87.3	86.6	85.6	85.2	86.4	84.7	86.1
1967	:84.6	83.5	83.3	82.8	84.7	88.9	89.5	89.3	90.3				

Veal, retail cuts

Table 13.--Retail prices and Farm-retail spread for meat
by years, 1956-65, by months 1966 to date

Year and month	Retail price or cost				Farm-retail spread	
	All meat products	Beef, Choice per pound	Pork ex. lard per pound		Beef	Pork
	Dollars	Cents	Cents	Cents	Cents	Cents
1956	239.37	66.0	51.9	26.9	26.2	
1957	265.68	70.6	60.0	28.1	28.3	
1958	299.97	81.0	64.5	30.1	29.1	
1959	289.49	82.8	56.9	31.3	31.1	
1960	284.41	81.0	56.5	32.8	28.6	
1961	285.64	79.2	59.0	32.9	29.1	
1962	292.44	82.4	59.3	31.7	29.8	
1963	286.35	81.0	57.3	34.4	30.2	
1964	280.26	77.8	56.4	35.4	29.7	
1965	303.23	81.6	64.2	34.8	27.6	
1966						
January	333.49	83.3	77.6	35.4	30.1	
February	340.15	84.4	78.8	34.1	30.1	
March	343.35	86.1	78.0	30.3	35.3	
April	335.47	86.7	73.3	34.1	34.0	
May	328.45	85.2	71.6	33.8	33.7	
June	328.43	84.5	72.3	36.0	29.8	
July	328.50	84.1	72.9	35.4	29.0	
August	329.62	84.3	73.4	35.5	28.9	
September	331.71	84.6	73.9	35.0	32.6	
October	328.98	84.5	72.5	36.5	34.6	
November	320.03	83.1	69.5	37.3	35.4	
December	317.31	83.8	67.7	36.4	33.2	
TOTAL	330.46	84.6	73.5	35.0	32.3	
1967						
January	315.27	83.0	67.5	35.1	33.9	
February	314.57	83.5	66.6	35.5	33.1	
March	312.42	82.9	65.8	34.7	33.1	
April	308.83	82.2	64.6	34.8	34.5	
May	306.15	81.8	63.7	35.3	32.4	
June	320.84	83.9	69.1	33.9	29.8	
July	321.73	84.1	69.2	32.7	28.1	
August	324.05	84.7	69.8	33.8	31.3	
September	325.29	86.0	69.1	34.0	34.5	
October						
November						
December						
TOTAL						

1/ Composite value of meats in "Market Basket".

Supply and distribution of meat, by months, April 1967 to date

Meat and period	Commercially produced							
	Supply			Distribution				
	Production	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Total	Civilian consumption per person
	1/	stocks						2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
Beef:								
April	1,596	300	83	7	290	58	1,624	8.3
May	1,761	290	75	7	288	68	1,763	9.1
June	1,749	288	101	7	276	67	1,788	9.2
2nd quarter	5,106	300	259	21	276	193	5,175	26.6
July	1,603	276	133	7	265			
August	1,739	265	136	7	245			
September	1,648	245	138	7				
3rd quarter	4,990	276	407	21				
Veal:								
April	57	13	1	3/	13	3	55	.3
May	59	13	2	3/	12	5	57	.3
June	60	12	2	1	12	6	55	.3
2nd quarter	176	13	5	1	12	14	167	.9
July	59	12	1	1	11			
August	68	11	1	1	9			
September	66	9	1	3/				
3rd quarter	193	12	3	2				
Lamb and mutton:								
April	49	15	11	3/	16	3/	59	.3
May	49	16	9	1	17	3/	56	.3
June	49	17	10	3/	15	1	60	.3
2nd quarter	147	15	30	1	15	1	175	.9
July	48	15	7	3/	13			
August	54	13	9	1	11			
September	55	11	12	1				
3rd quarter	157	15	28	2				
Pork:								
April	1,021	331	30	12	386	22	962	5.0
May	929	386	32	11	336	33	967	5.0
June	920	336	36	9	293	27	963	4.9
2nd quarter	2,870	331	98	32	293	82	2,892	14.9
July	838	293	32	9	239			
August	1,012	239	31	11	199			
September	1,046	199	27	13				
3rd quarter	2,896	293	90	33				
All meat:								
April	2,723	659	125	19	705	83	2,700	13.9
May	2,798	705	118	19	653	106	2,843	14.7
June	2,778	653	149	17	596	101	2,866	14.7
2nd quarter	8,299	659	392	55	596	290	8,409	43.3
July	2,548	596	173	17	528			
August	2,873	528	177	20	464			
September	2,815	464	178	21				
3rd quarter	8,236	596	528	58				

1/ Includes custom slaughtering for farmers beginning in 1966. Data are not comparable with other years. 2/ Derived from estimates by months of population eating out of civilian food supplies. 3/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1966		1967	
		September	October	August	September
		:	:	:	:
CATTLE AND CALVES:					
Beef steers, slaughter	Dollars per				
Chicago, Prime.....	100 pounds	27.07	26.30	28.31	28.92
Choice	do.	26.11	25.50	27.22	27.62
Good.....	do.	25.03	24.79	25.94	26.23
Standard.....	do.	23.32	23.20	24.09	24.41
Utility.....	do.	21.28	21.56	22.29	22.38
All grades.....	do.	26.07	25.48	27.18	27.59
Omaha, all grades.....	do.	25.32	24.47	26.51	26.54
Sioux City, all grades.....	do.	25.49	24.40	26.52	26.54
Cows, Chicago					
Commercial.....	do.	18.82	17.94	17.75	16.87
Utility.....	do.	18.46	17.52	17.79	17.44
Cutter.....	do.	17.92	16.66	16.74	16.57
Canner.....	do.	16.70	15.58	16.02	15.84
Vealers, Choice, S. St. Paul.....	do.	32.62	31.90	31.86	32.40
Stocker and feeder steers, Kansas City 1/.....	do.	25.51	24.79	25.53	24.79
Price received by farmers					
Beef cattle.....	do.	22.50	21.90	23.20	23.10
Cows.....	do.	17.20	16.40	17.00	16.50
Steers and heifers.....	do.	24.30	23.70	25.10	25.00
Calves.....	do.	26.50	25.70	27.00	26.80
Beef steer-corn price ratio 2/.....		18.1	18.6	22.3	23.2
HOGS:					
Barrows and gilts, U. S. No. 1, 2 & 3, Chicago	Dollars per				
200-220 pounds.....	do.	23.59	22.25	21.35	19.89
220-240 pounds.....	do.	23.56	22.13	21.36	9.87
240-270 pounds.....	do.	22.78	21.72	21.02	19.50
All weights.....	do.	23.47	21.97	21.18	19.74
Barrows and gilts, 8 markets 3/.....	do.	23.16	21.57	21.05	19.46
Sows, Chicago.....	do.	20.87	19.49	18.04	17.48
Price received by farmers.....	do.	22.30	21.20	20.40	19.10
Hog-corn price ratio 4/.....					
Chicago, barrows and gilts.....		16.3	16.0	17.4	16.6
Price received by farmers, all hogs.....		16.5	16.4	18.4	17.1
SHEEP AND LAMBS:	Dollars per				
Sheep	100 pounds				
Slaughter ewes, Good, Chicago.....	do.	7.50	7.50	6.75	6.75
Price received by farmers.....	do.	6.90	6.69	6.14	6.13
Lamb					
Slaughter, Choice, Chicago.....	do.	24.76	24.04	24.75	23.65
Feeder, Choice, S. St. Paul.....	do.	22.54	22.35	21.41	20.30
Price received by farmers.....	do.	22.60	22.40	22.80	21.90
All meat animals:					
Index number price received by farmers					
(1910-14=100).....		355	343	352	344
MEAT:					
Wholesale, Chicago, Less than carlot	Dollars per				
Steer beef carcass, Choice, 500-600 pounds....	100 pounds	42.92	41.78	45.53	46.19
Lamb carcass, Choice, 45-55 pounds.....	do.	51.06	50.48	54.72	53.32
Fresh pork loins, 8-12 pounds.....	do.	57.15	54.25	53.57	52.51
Retail, United States average	Cents				
Beef, Choice grade.....	per pound	84.6	84.5	84.7	86.0
Pork, retail cuts and sausage.....	do.	73.9	72.5	69.8	69.1
Lamb, Choice grade.....	do.	85.6	85.2	89.3	90.3
Index number all meats (BLS)					
Wholesale (1957-59=100).....		111.8	108.0	109.5	110.8
Retail (1957-59=100).....		117.2	116.6	116.1	116.3
Beef and veal.....		112.7	112.8	114.1	115.5
Pork.....		126.4	123.8	120.4	118.7

1/ Average all weights and grades.

2/ Bushels of No. 3 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Chicago, all grades.

3/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.

4/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1966		1967	
		September	October	August	September
		:	:	:	:
Meat animal marketings	:	:	:	:	:
Index number (1957-59=100)	1,000	137	153	132	139
Stocker and feeder shipments to	:	:	:	:	:
8 Corn Belt States	head	911	1,424	612	972
Cattle and calves	do.	325	337	113	198
Sheep and lambs	do.				
Slaughter under Federal inspection	:	:	:	:	:
Number slaughtered	:	:	:	:	:
Cattle	do.	2,416	2,335	2,461	2,330
Steers	do.	1,203	1,135	1,285	1,186
Heifers	do.	652	617	647	636
Cows	do.	520	546	492	473
Bulls and stags	do.	41	37	37	35
Calves	do.	390	389	332	348
Sheep and lambs	do.	1,067	1,022	1,001	1,037
Hogs	do.	5,888	6,047	5,808	6,114
Percentage sows	Percent	8	7	9	8
Average live weight per head	:	:	:	:	:
Cattle	Pounds	1,015	1,026	1,013	1,020
Calves	do.	202	198	202	197
Sheep and lambs	do.	99	102	98	98
Hogs	do.	238	240	241	239
Average production	:	:	:	:	:
Beef, per head	do.	591	597	594	595
Veal, per head	do.	112	109	112	110
Lamb and mutton, per head	do.	49	50	48	48
Pork, per head	do.	148	149	151	150
Pork, per 100 pounds live weight	do.	62	62	63	63
Lard, per head	do.	25	26	26	25
Lard, per 100 pounds live weight	do.	11	11	11	10
Total production	: Million	:	:	:	:
Beef	pounds	1,423	1,390	1,458	1,383
Veal	do.	43	42	37	38
Lamb and mutton	do.	52	51	48	50
Pork	do.	867	901	878	918
Lard	do.	149	157	149	152
Commercial slaughter 1/	:	:	:	:	:
Number slaughtered	: 1,000	:	:	:	:
Cattle	head	2,980	2,880	2,300	2,838
Calves	do.	580	583	508	513
Sheep and lambs	do.	1,180	1,133	1,123	1,155
Hogs	do.	6,751	6,944	6,756	7,011
Total production	: Million	:	:	:	:
Beef	pounds	1,714	1,714	1,739	1,648
Veal	do.	76	76	68	66
Lamb and mutton	do.	57	56	54	55
Pork	do.	991	1,029	1,012	1,046
Lard	do.	166	175	167	169
Cold storage stocks first of month	:	:	:	:	:
Beef	do.	216	225	265	245
Veal	do.	7	8	11	9
Lamb and mutton	do.	22	21	13	11
Pork	do.	140	151	239	199
Total meat and meat products 2/	do.	433	451	600	528
	:	:	:	:	527

1/ Federally inspected, and other commercial.

2/ Includes stocks of canned meats in cooler in addition to the four meats listed.

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